



## HOUSING AUTHORITY OF THE CITY OF LOS ANGELES

AN EQUAL EMPLOYMENT OPPORTUNITY - AFFIRMATIVE ACTION EMPLOYER

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PRESIDENT AND CEO  
DOUGLAS GUTHRIE

October 20, 2014

Chairman Tom Wheeler  
Commissioner Mignon Clyburn  
Commissioner Ajit Pai  
Commissioner Jessica Rosenworcel  
Commissioner Michael O'Rielly  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

Dear Chairman and Commissioners:

The Housing Authority of the City of Los Angeles (HACLA) is writing to respectfully urge you and your colleagues at the Federal Communications Commission (FCC) to secure a public benefit from the proposed Comcast acquisition of Time Warner Cable (TWC) and trade of service territory with Charter Communications in the form of the 5 Recommendations below to ensure acceptable performance on the Comcast affordable offer called Internet Essentials (CIE):

1. Include All Low-Income Households
2. Set Performance Goals
3. Capitalize an Independent Fund and Coordinate with States
4. Establish an Advisory Oversight Committee
5. Offer Stand-Alone Internet Service

There are a significant number of issues at stake for California with this corporate consolidation and there must be a public benefit for California consumers, given the magnitude of the market share controlled by Comcast if approved – for example, 87% of all California students on free-or-reduced lunch will reside in Comcast service areas. Although CIE has a laudatory price-point, there is ample evidence of all the problems that have plagued the subscription process, resulting in just 14% of the eligible population being signed up during the last 3 years.

Today, statewide broadband adoption at home in California is at 75%, leaving 25% of the population farther and farther behind. There must be an affordable broadband rate widely available to the nearly 10 million Californians who remain offline, especially students who live in low-income neighborhoods and attend low-performing schools. These students must have a better opportunity to learn and become productive members of society if California is going to be globally competitive.

HACLA is the largest anti-poverty program in Los Angeles but our limited federal budget precludes us from being able to provide broadband to our residents. Our residents attend the most challenged of the Los Angeles Unified District schools and the lack of access to broadband is yet another obstacle to their future education and employment success.

We note that the California PUC in its Comcast –TWC merger docket, Application No. (A.) 14-04-013, will be exploring the issue also, according to its Scoping Memo and Ruling of the Assigned Commissioner and Administrative Law Judge: “How would the Merger benefit California consumers? For example, will the merger benefit low income outreach and adoption of broadband services that are accessible, affordable, and equitable in a manner that is enforceable and will help close the digital divide? Will the merger help educate consumers on using computers and the internet when service is provided? Will the merged entity offer standalone internet access and make sure consumers are aware of this offer?”<sup>1</sup> We recommend the FCC accept data from the CPUC’s merger docket on this point.

Should the FCC decide to approve this merger transaction, CETF respectfully requests that the FCC take this opportunity to order Comcast to greatly improve its program, and to be accountable for delivering a functional, results-driven program with measurable goals showing a real public benefit to low-income persons in its service areas.

In short, the FCC should take a more active oversight role in ensuring that the benefits of this program are delivered to low-income families in a more meaningful way. Absent specific performance goals, it is our experience that Comcast has failed to put enough outreach staff, advertising and operational resources on the program to deliver adequate levels of performance.

Sincerely,



Douglas Guthrie  
President and CEO

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<sup>1</sup> Scoping Memo and Ruling of Assigned Commissioner and Administrative Law Judge, in re Joint Application of Comcast Corp., Time Warner Cable Inc., Time Warner Cable Information Services (California), LLC and Bright House Networks Information Services (California), LLC for Expedited Approval for the Transfer of Control of Time Warner Cable Information Services (California), LLC (U6874C); and the Pro Forma Transfer of Control of Bright House Networks Information Services (California), LLC (U6955C) , to Comcast Corp. Pursuant to California Public Utilities Code Section 854(a), in A. 14-04-013 (filed Apr. 11, 2014), at 13 (“CPUC Scoping Memo”).